GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Finance Department – Engaging Services of Andhra Pradesh Urban Infrastructure Asset Management Ltd.(APUIAML) for providing Project Management Office (PMO) support to Finance Department on retainer model - Orders – Issued.

FINANCE (OP.II) DEPARTMENT

G.O.RT.No. 547 **Dated: 09-03-2020**

Read the following: -

1. G.O.Rt.No. 357, MA & UD (U.I) Department, dated. 15.05.2017.
2. Lr.No. FIN01-COOR0/MISC/2/2020-OP.II, dated. 08.02.2020.
3. From CEO, APUIAML, Vijayawada, Lr.No. APUIAML/INVT/Project & Structuring/114/APUIAML/2019-20, dated. 18.02.2020.

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O R D E R:

In the reference second read above, Finance Department has requested Andhra Pradesh Urban Infrastructure Asset Management Ltd.(APUIAML) for providing Project Management Office (PMO) support for setting-up & operationalising of A.P. State Financial Services Ltd. (APSFSL), A.P. General Insurance Corporation(APGIC), for preparing approach paper for Pension Fund and other strategic support.

2. In the reference third read above, Andhra Pradesh Urban Infrastructure Asset Management Ltd. has expressed willingness to provide PMO support in establishment & operationalisation of APSFSL & APGIC, in preparing approach paper for Pension Fund and other strategic areas.

3. Government after careful examination hereby engage the services of APUIAML on monthly retainership model to the Finance Department in the following areas of specification:

a. Assistance with setting–up of and operationalising Andhra Pradesh State Financial Services Ltd.(APSFSL): Conceptualising, application, documentation, processing and other preparatory work for getting approvals from concerned Government authorities and RBI for setting up and operationalising of a state sponsored Non-Bank Financial Corporation.

b. Assistance with setting–up of and operationalising Andhra Pradesh State General Insuarance Corporation (APGIC**):** Conceptualising, application, documentation, processing and other preparatory work for getting approvals from concerned Government authorities and IRDA for setting up and operationalising of a state sponsored General Insurance Company.

c. Assistance with preparing approach paper for State Pension: Conducting scenario analysis of benefits under the Contributory Pension Scheme and comparison with Old Pension Scheme, studying the recommendation of the S.P. Tucker Committee Report (2018-2019) on CPS and assisting the Working Committee on CPS in examining the feasible options covering all analytical requirements of the Working Committee.

d. Facilitating in other projects and ideas**:** Examining various development models with participation by Bilateral agencies/Multilateral Funding Agencies/Private sector for infrastructure projects of GoAP, including but not limited to Education, Medical, Water supply, Irrigation infrastructure.

The detailed scope of work in given in Annexure.

4. **Duration of the engagement:**

The duration of engagement of services is two months. Extension of services will be subject to assessment of performance on assigned work.

5. **Fees for Services:**

Monthly retainership fees of Rs. 10 lakhs p.m. plus taxes for a period of two months starting from 1st February 2020 to 31st March 2020.

APUIAML shall ensure that the fees for engaging external experts/agencies by it shall not exceed 25% of the monthly retainership paid by Finance Department.

APUIAML shall provide proper justification in case the fees for engaging external experts/agencies exceeds the above limit.

Finance Department shall undertake scrutiny before considering payment of additional fees for engaging external experts/agencies by APUIAML.

6. The expenditure sanctioned above shall be debited to the following Head of Account:

MH	: 2052- Secretariat General Services
MH	: 090 – Secretariat
SH(06)	: Finance Department
280	: Professional Services
289	: Service Based Professional Services.

7. The employee information on pertaining to retirements, Date of Births etc. as provided by Director of Treasuries (DTA) shall be maintained confidential by APUIAML. APUIAML would bear civil & criminal liability in the event of data misuse or leakage in any manner.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHAMSHER SINGH RAWAT
PRINCIPAL FINANCE SECRETARY

TO
The Chief Executive Officer, APUIAML, Vijayawada,
The Director of Treasuries and Accounts, A.P., Ibrahimpatnam, Vijayawada.

Copy to:
The P.S. to Prl. Finance Secretary/ Secretary (B&IF)/, A.P. Secretariat, Velagapudi.
The Finance (Admn.III) Department,
The Finance (HR.III- Pensions) Department,
The Finance (PMU-CASP, FC) Department.

// FORWARDED :: BY ORDER// SECTION OFFICER

ANNEXURE

Detailed scope of work to be executed by APUIAML is as follows:

(i) Assistance with setting–up of and operationalising Andhra Pradesh State Financial Services Ltd.(APSFSL):

Stage 1: GoAP Approvals process

1. Creating the Concept/ Proposal Note for setting-up of Andhra Pradesh State Financial Services Corporation (APSFS)
2. Interacting with market participants and where similar models have been adopted like in Gujarat, Haryana and intermediaries who are involved with similar models to take practical insights into setting-up, operationalising and running APSFS
3. Advising on structuring and other aspects for setting-up of APSFS as an NBFC
4. Assisting with all activities with respect to securing internal GoAP approvals including preparing notes, letters, draft GO's and other documents as required
5. Supporting with Research with respect to APSFS and undertaking preliminary studies as relevant, checking for name availability from MCA

Stage 2: Preparatory Work and Company formation

1. Assisting with establishing a company under the Companies Act, 2013 including assisting with the drafting of MOA, AOA and other documents
2. Assisting through the appointment of Company Secretary and supporting the appointed Company Secretary with the filings with MCA, registration of company, calling the first board meeting, drafting the agenda, minutes, and other activities
3. Assisting with preparing the Business Plan for APSFS as required for filing with RBI
4. Assisting with drafting Operations Manual and SOP
5. Supporting with drafting the RBI application for license and any other documents as required

Stage 3: RBI Application and Approval Process

1. Assisting with filing the application with RBI
2. Supporting with drafting responses to queries from RBI and follow-up to expedite the process
3. Assisting with identifying professionals for operationalising APSFS
4. Assisting with IT team to develop the necessary software and programs for running the operations of APSFS

Stage 4: Operationalising

1. Assisting with all activities for starting the operations of APSFS

2. Coordinating with GoAP for onboarding professionals to run the operations of APSFS
3. Assisting with engaging and working with experts/ consultants
4. Assist in monitoring / progress review

Stage 5: Operations (Optional and not included in proposed fees, will be at additional fees)

1. Advising and providing necessary support with running the operations of APSES
2. Assisting with preparing and submitting performance dashboards as relevant
3. Supporting with various day-to-day activities of APSFS

(ii) Assistance with setting–up of and operationalising Andhra Pradesh State General Insurance Corporation (APGIC):

Stage 1: GoAP Approvals process

1. Creating the Concept Note for setting-up of Andhra Pradesh General Insurance Corporation (APGIC)
2. Reviewing how General Insurance has been implemented and developed in other States of India and to take practical insights into setting-up, operationalising and running APGIC
3. Advising on structuring and other aspects for setting-up of APGIC as an Insurance company
4. Assisting with all activities with respect to securing internal GoAP approvals including preparing notes, letters, draft GO's and other documents as required, apart from G.O.MS.No. 157 dated 20.12.2019 that is already issued
5. Supporting with Research with respect to APGIC and undertaking preliminary studies as relevant

Stage 2: Preparatory Work and Company formation

1. Supporting is procuring NOC from IRDA so as to complete the MCA process
2. Assisting with establishing a company under the Companies Act, 2013 including assisting with the drafting of MOA, AOA and other documents
3. Coordinating for getting the Board of Directors on board and filing with MCA
4. Assisting with the Company Secretarial activities of APGIC in coordination with Company Secretary to be appointed including calling the first board meeting, drafting the agenda, minutes, and other activities
5. Assisting with preparing the Business Plan for APGIC as required for filing with IRDAI
6. Supporting with drafting IRDA application for license and any other documents as required

Stage 3: IRDAI Application and Approval Process

1. Assisting with filing the application with IRDAI, both R1 and R2 and any other documentation
2. Assisting with drafting responses to queries from IRDA and follow-up to expedite process
3. Assisting with drafting of SOP and Operating Manual and coordinating to get approvals
4. Assisting with identifying professionals for operationalising APGIC

Stage 4: Operationalising

1. Assisting with all activities for starting the operations of APGIC
2. Coordinating with GoAP for onboarding professionals to run the operations of APGIC
3. Developing and working on ideas and engaging and working with experts/ consultants

Stage 5: Participating in PMFBY and other schemes of GOI as an Insurance company

1. Assisting with meeting the prequalification requirements to participate in the tender process of PMFBY and other schemes of GOI in the initial stages

(iii) Assistance with preparing approach paper for State Pension

Stage 1: Initial Review

1. High level review of the pension system in AP, evolution of pension system and global pension models; and review and summarisation of Sri. S.P. Tucker Committee Report
2. Coordination with AP Treasury Department to source employee information as required for actuarial modelling and coordination with Actuarial firm to define the scope of work

Stage 2: Analysis and Detailed Review and Report

1. Detailed analysis of pension systems followed by other major states in India along with their current scenarios and experiences
2. Actuarial Modelling to provide yearly estimations of future cash outflows of employees under NPS on what will be the pension outflow under OPS and under CPS based on current status of data
3. Analysis of employee category–wise cash outflow up to 2060 for employees currently under OPS
4. Scenario analysis of actuarial data and identifying options to bridge the gap between OPS and CPS without significantly increasing the burden of Govt exchequer
5. Identifying and researching of global best practices on pension systems and providing suggestions and recommendations on how such best practices can be adapted in the state

6. Analysing of Expert committee report on feasibility of implementing the demand of various Government employee associations to continue with old pension schemes and providing probable solutions and suggestions
7. Necessary recommendations on the possible options to the Government for appropriate decision and its impact analysis.
8. Submission of the Approach Paper Report and Presentation to Committee

(iv) Facilitating in other projects and ideas

1. Working with Finance department and assisting various departments and corporations of the Govt on evaluating, undertaking and implementing projects under PPP and HAM
2. The scope can include conceptualising the project; organising pre-investor conference; structuring; release of EOI; drafting of RFQ, RFP & Concession Agreement; marketing the project nationally & internationally as applicable; evaluation of bids; seeking approvals; closing and agreements and other activities as applicable
3. Detailed scope of work shall be submitted after assessing the requirements in each case
4. After consent from Finance Department, APUIAML will be directly engaged by these departments or corporations to support with the activities and projects

(v) Funding support through bank financing and multilateral/ bilateral financing and private investment

1. Working with Finance department and assisting various departments and corporations of the Govt on fund raising for projects
2. The scope can include assisting with TEV study; project a financing structure to make projects bankable, assisting with credit rating; preparing the business plan, financial model, information memorandum and other documents as relevant; roadshows and coordination with banks and investors; securing and negotiating term sheet; signing of agreement and other activities as relevant
3. Detailed scope of work shall be submitted after assessing the requirements in each case.
4. After consent from Finance Department, APUIAML will be directly engaged by these departments or corporations to support with the fund raising activities and projects

(vi) Strategic and PMO support to Govt. and other activities

1. Assisting the Finance Department with various strategic initiatives, key meetings, and other activities
2. Coordinate with the Department in Project Structuring and implementation options
3. Assist the Department in preparing roadmap for projects / initiatives to be undertaken

4. Supporting with Research and undertaking preliminary studies as relevant, gathering details on best practices
5. Engaging and working with experts/ consultants
6. Creating a Knowledge Repository - includes collating information, reports, research studies, etc. and create a repository of information which can be used by various stakeholders within GoAP

SECTION OFFICER